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6 April 1961

MEMORANDUM FOR: Chairman, USIB Committee on Exchanges

THROUGH: Assistant Director, Office of Research and Reports

THROUGH: Chief, Economic Research, ORR

THROUGH: Acting Chief, Materials Division, ORR

FROM: Chief, Nonferrous Metals and Minerals Branch, ORR

SUBJECT: Proposed Visit of Poles to Copper Mines in the US

1. The Chief of the Pittsburgh Office of the Office of Operations has reported that four Poles are planning to visit copper mines in the US to discuss the purchase of mining equipment made by the Joy Manufacturing Company, Pittsburgh, Pennsylvania. In this connection they have asked to visit certain copper mines, presumably to observe Joy mining equipment in operation. Among the mines the Poles wish to visit are the largest and most productive ones in the US. We believe the Poles are interested in buying mining equipment for the development of newly discovered deposits in Southeastern Poland. (A recently published CIA on this discovery and plans for exploitation is attached.)

2. Because most countries in the Sino-Soviet Bloc regard their activities in the field of nonferrous metals as state secrets and, therefore, release little or no information on production, consumption, and reserves, gaps in our information on these subjects are enormous and broad. We believe that the East-West exchange program represents an excellent potential source of information on these activities. Moreover, the USSR and other Bloc countries have expressed interest in nonferrous exchanges with the US, and the major US companies in the field have agreed to cooperate in this program. Under these conditions, the exchange program, if handled advertly, could yield handsome intelligence gains to the US.

3. In 1956 the Poles invited the US to exchange nonferrous delegations with them. ORR recommended to the USIB Committee on Exchanges that no exchange in nonferrous metals take place with any

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other country of the Bloc prior to an exchange with the USSR. We believed then, and do now, that information acquired from a tour of US facilities in the nonferrous field by a delegation from one country of the Bloc will be made available to other countries of the Bloc. If a net intelligence gain from the exchange is to be acquired, the US delegations should visit facilities in the Bloc comparable to those visited by Bloc delegations in the US. In the nonferrous field most of the facilities are in the USSR. These views were presented to the USIB Committee on Exchanges on 3 January 1959, which in turn recommended that the invitation from the Poles not be accepted.

4. Although the request by the Poles to see some key mining equipment in operation may be completely legitimate, there seems to be no reason in unnecessarily exposing the US copper industry to the visiting Poles. Such exposure could well reduce Bloc interest in a copper exchange with the US. Our recommendation is that the visiting Poles should be limited precisely to their specific mission, and that the only mines shown them are copper mines in Michigan and Tennessee.

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Attachment:
CS-61-18

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